International Seabed Authority ISBA/22/LTC/5

Legal and Technical Commission

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Status of contracts for exploration in the Area

Report of the Secretary-General

1. The present report provides information on the status of contracts for exploration in the Area since the Legal and Technical Commission last met, in July 2015. Contracts currently pertain to each of the three mineral resources for which the International Seabed Authority has adopted regulations on prospecting and exploration. These are polymetallic nodules, polymetallic sulphides and cobalt-rich ferromanganese crusts. In addition, the report contains information on the status of implementation of the decision of the Assembly of 25 July 2013 relating to the establishment of overhead charges for the administration and supervision of exploration contracts. The information provided herein is up to date as at 31 January 2016.

I. Status of contracts for exploration

2. As at 31 January 2016, 23 contracts for exploration had entered into force (14 for polymetallic nodules, 5 for polymetallic sulphides and 4 for cobalt-rich ferromanganese crusts). A complete list of the contracts, with details of the contractor, the sponsoring State if applicable, the general location of the exploration area and the dates of entry into force and expiry of each contract, is provided in annex I to the present report.

3. Since the twenty-first session of the Commission, in July 2015, one new contract has been signed. On 9 November 2015, a contract for exploration for cobalt-rich ferromanganese crusts with Companhia de Pesquisa de Recursos Minerais S. A. was signed in Brasilia.

4. With regard to three plans of work for exploration approved by the Council at its twentieth session, it is anticipated that contracts for exploration will be signed before the twenty-second session of the Commission, in July 2016, given that they are near completion. They relate to contracts for exploration for polymetallic nodules with UK Seabed Resources Ltd. and Cook Islands Investment Corporation

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and to the contract for exploration for polymetallic sulphides with the Government of India.

5. With regard to the plan of work for exploration submitted by China Minmetals Corporation and approved by the Council at its twenty-first session, it is expected that the contract will be signed in 2016.

6. Six contracts for exploration for polymetallic nodules will expire in 2016. They are with Interoceanmetal Joint Organization, Yuzhmorgeologiya, the Government of the Republic of Korea, China Ocean Mineral Resources Research and Development Association, Deep Ocean Resources Development Co. Ltd. and the Institut français de recherche pour l'exploitation de la mer. As at 16 December 2015, each of those contractors had applied for a five-year extension of its contract. Consideration of the applications is on the agenda of the Commission (see ISBA/22/LTC/2).

II. Status of consultations regarding the implementation of decision ISBA/19/A/12

7. By its decision of 25 July 2013 (ISBA/19/A/12), the Assembly established an annual overhead charge of $47,000 to cover the costs incurred by the Authority in administering and supervising contracts. The charge is due to be paid by each contractor by 31 March each year. The decision is to be implemented through the addition of two new clauses (sects. 10.5 and 10.6) to the standard clauses for contracts for exploration. The decision of the Assembly also specifies the date of its entry into force (25 July 2013) and contains special provisions regarding its effect in respect of existing contracts and pending and approved applications submitted before 25 July 2013.

A. Applications submitted after 25 July 2013

8. The decision of the Assembly has immediate effect from the date of its adoption (25 July 2013), meaning that standard clauses 10.5 and 10.6 will apply automatically to any contract entered into as a result of an application for approval of a plan of work for exploration submitted after that date.

B. Existing contracts

9. With regard to contracts for exploration that had already entered into force as at 25 July 2013, the Assembly requested the Secretary-General to consult each contractor with a view to revising the contracts, in accordance with section 24.2 of the standard clauses, in order to incorporate clauses 10.5 and 10.6. Those consultations are in progress and their status is reflected in annex II to the present report. Furthermore, in the case of contracts that are due to expire, standard clauses 10.5 and 10.6 will be applicable to the period of any extension of the contract.

C. Applications submitted before 25 July 2013

10. Four of the seven applications that the Council approved at its twentieth session, in July 2014, were submitted before 25 July 2013. Those were from the Ministry of Natural Resources and Environment of the Russian Federation (submitted on 6 February 2013), UK Seabed Resources Ltd. (submitted on 8 February 2013), the Government of India (submitted on 26 March 2013) and Ocean Mineral Singapore Pte Ltd. (submitted on 19 April 2013). The Ministry of Natural Resources and Environment of the Russian Federation and Ocean Mineral Singapore Pte Ltd. agreed to include the new standard clauses in their respective contracts, while consultations are continuing with UK Seabed Resources Ltd. and the Government of India in that respect. The contracts for exploration with the Institut français de recherche pour l'exploitation de la mer (polymetallic sulphides) and Marawa Research and Exploration Ltd. (polymetallic nodules), as a result of the approval of their applications submitted on 23 May and 30 May 2012, respectively, also include those standard clauses.

III. Recommendation

11. The Commission is invited to take note of the present report.

Annex I

Status of approved contracts for exploration

A. Contracts for exploration for polymetallic nodules

	Contractor	*Date of entry into force*	*Sponsoring State*	*General location of the exploration area*	*Date of expiry*
1	Interoceanmetal Joint Organization	29 March 2001	Bulgaria, Cuba, Czech Republic, Poland, Russian Federation and Slovakia	Clarion-Clipperton Fracture Zone	28 March 2016
2	Yuzhmorgeologiya	29 March 2001	Russian Federation	Clarion-Clipperton Fracture Zone	28 March 2016
3	Government of the Republic of Korea	27 April 2001	–	Clarion-Clipperton Fracture Zone	26 April 2016
4	China Ocean Mineral Resources Research and Development Association	22 May 2001	China	Clarion-Clipperton Fracture Zone	21 May 2016
5	Deep Ocean Resources Development Co. Ltd.	20 June 2001	Japan	Clarion-Clipperton Fracture Zone	19 June 2016
6	Institut français de recherche pour l'exploitation de la mer	20 June 2001	France	Clarion-Clipperton Fracture Zone	19 June 2016
7	Government of India	25 March 2002	–	Central Indian Ocean Basin	24 March 2017
8	Federal Institute for Geosciences and Natural Resources of Germany	19 July 2006	Germany	Clarion-Clipperton Fracture Zone	18 July 2021
9	Nauru Ocean Resources Inc.	22 July 2011	Nauru	Clarion-Clipperton Fracture Zone (reserved area)	21 July 2026
10	Tonga Offshore Mining Limited	11 January 2012	Tonga	Clarion-Clipperton Fracture Zone (reserved area)	10 January 2027
11	Global Sea Mineral Resources NV	14 January 2013	Belgium	Clarion-Clipperton Fracture Zone	13 January 2028

	Contractor	*Date of entry into force*	*Sponsoring State*	*General location of the exploration area*	*Date of expiry*
12	UK Seabed Resources Ltd.	8 February 2013	United Kingdom of Great Britain and Northern Ireland	Clarion-Clipperton Fracture Zone	7 February 2028
13	Marawa Research and Exploration Ltd.	19 January 2015	Kiribati	Clarion-Clipperton Fracture Zone (reserved area)	18 January 2030
14	Ocean Mineral Singapore Pte Ltd.	Signed in Kingston on 15 January 2015 and in Singapore on 22 January 2015	Singapore	Clarion-Clipperton Fracture Zone (reserved area)	21 January 2030
15	UK Seabed Resources Ltd.	To be signed	United Kingdom of Great Britain and Northern Ireland	Clarion-Clipperton Fracture Zone	–
16	Cook Islands Investment Corporation	To be signed	Cook Islands	Clarion-Clipperton Fracture Zone (reserved area)	–
17	China Minmetals Corporation	To be signed	China	Clarion-Clipperton Fracture Zone (reserved area)	–

B. Contracts for exploration for polymetallic sulphides

	Contractor	*Date of entry into force*	*Sponsoring State*	*General location of the exploration area*	*Date of expiry*
1	China Ocean Mineral Resources Research and Development Association	18 November 2011	China	South-west Indian Ridge	17 November 2026
2	Government of the Russian Federation	29 October 2012	–	Mid-Atlantic Ridge	28 October 2027
3	Government of the Republic of Korea	24 June 2014	–	Central Indian Ocean	23 June 2029
4	Institut français de recherche pour l'exploitation de la mer	18 November 2014	France	Mid-Atlantic Ridge	17 November 2029

	Contractor	*Date of entry into force*	*Sponsoring State*	*General location of the exploration area*	*Date of expiry*
5	Government of India	To be signed	–	Indian Ocean Ridge	–
6	Federal Institute for Geosciences and Natural Resources of Germany	6 May 2015	Germany	Central Indian Ridge and South-east Indian Ridge	5 May 2030

C. Contracts for exploration for cobalt-rich ferromanganese crusts

	Contractor	*Date of entry into force*	*Sponsoring State*	*General location of the exploration area*	*Date of expiry*
1	Japan Oil, Gas and Metals National Corporation	27 January 2014	Japan	Western Pacific Ocean	26 January 2029
2	China Ocean Mineral Resources Research and Development Association	29 April 2014	China	Western Pacific Ocean	28 April 2029
3	Ministry of Natural Resources and Environment of the Russian Federation	10 March 2015	–	Magellan Mountains in the Pacific Ocean	9 March 2030
4	Companhia de Pesquisa de Recursos Minerais S.A.	9 November 2015	Brazil	Rio Grande Rise in the South Atlantic Ocean	8 November 2030

Annex II

Status of consultations with regard to the revision of contracts for exploration existing as at 25 July 2013

Contractor	*Status*
Government of the Russian Federation (sulphides)	Accepted on 23 July 2015
China Ocean Mineral Resources Research and Development Association (sulphides)	Accepted on 1 July 2015
Tonga Offshore Mining Limited	Accepted on 18 February 2014
Nauru Ocean Resources Inc.	Accepted on 9 July 2015
Institut français de recherche pour l'exploitation de la mer (nodules)	Under consideration
Global Sea Mineral Resources NV	Accepted on 19 December 2013
China Ocean Mineral Resources Research and Development Association (nodules)	Accepted on 1 July 2015
Yuzhmorgeologiya	Accepted on 17 July 2015
Government of India	Fee paid for 2015
Government of the Republic of Korea	Accepted on 17 June 2014
Federal Institute for Geosciences and Natural Resources of Germany	Accepted on 21 March 2014
Deep Ocean Resources Development Ltd.	Accepted on 9 January 2014
Interoceanmetal Joint Organization	Accepted on 28 April 2015
UK Seabed Resources Ltd.	Fee paid for 2014 and 2015